



January 27, 2006

## SENATE BILL No. 382

DIGEST OF SB 382 (Updated January 25, 2006 9:19 am - DI 44)

**Citations Affected:** IC 8-22.

**Synopsis:** Vanderburgh County air commerce development. Establishes the Vanderburgh County regional air commerce development authority (authority). Permits the authority to establish an air commerce park in the county. Permits the authority to designate the air commerce park as an allocation area for the purposes of property tax increment financing (TIF). Provides that increased revenue from the county option income tax (COIT) paid by persons employed in the air commerce park (in excess of the amount paid before establishment of the park, and excluding revenue generated by COIT rate increases) is to be paid to the authority for use in the development and financing of certain projects in, serving, or benefiting the air commerce park. Authorizes the authority to issue bonds.

**Effective:** Upon passage.

**Becker**

January 11, 2006, read first time and referred to Committee on Tax and Fiscal Policy.  
January 26, 2006, amended, reported favorably — Do Pass.

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SB 382—LS 7034/DI 44+



January 27, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## SENATE BILL No. 382

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 8-22-6 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
3 PASSAGE]:

4 **Chapter 6. Vanderburgh County Regional Air Commerce**  
5 **Development Authority**

6 **Sec. 1. The general assembly finds the following:**

7 **(1) Vanderburgh County and the Evansville-Vanderburgh**  
8 **County airport authority face unique and distinct challenges**  
9 **and opportunities related to transportation and economic**  
10 **development that are different in scope and type than those**  
11 **faced by other units of local government in Indiana due to:**

12 **(A) their status in relationship to the southwest extension**  
13 **of Interstate Highway 69;**

14 **(B) their distance from other major centers of commerce,**  
15 **industry and economic activity in the state; and**

16 **(C) the relative inaccessibility of southwest Indiana to**  
17 **markets.**

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(2) A unique approach is required to fully take advantage of the economic development potential of the airport authority and Vanderburgh County.

(3) The powers and responsibilities provided to the Vanderburgh County regional air commerce development authority created by this chapter are appropriate and necessary to carry out the public purposes of encouraging economic development and further facilitating the provision of infrastructure projects, economic development projects, and airport authority projects in southwest Indiana.

(4) The establishment of the Vanderburgh County regional air commerce development authority and an air commerce park serves a public purpose and is of benefit to the general welfare of the local governments in southwest Indiana, including Vanderburgh County, and the state by encouraging investment, job creation and retention, and economic growth and diversity.

Sec. 2. This chapter applies to Vanderburgh County.

Sec. 3. Except as otherwise provided by this chapter, the definitions in:

(1) IC 36; and

(2) this article;

apply throughout this chapter.

Sec. 4. As used in this chapter, "airport authority" refers to the Evansville-Vanderburgh County airport authority established under IC 8-22-3-4(d).

Sec. 5. As used in this chapter, "airport authority project" means a project that can be financed with the proceeds of bonds issued by an airport authority under IC 8-22-3.

Sec. 6. As used in this chapter, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessment date.

(2) Assessed value or assessed valuation.

(3) Taxing district.

(4) Taxing unit.

Sec. 7. As used in this chapter, "base assessed value" means:

(1) the net assessed value of all the taxable property located in an air commerce park as finally determined for the assessment date immediately preceding the effective date of the allocation provision of a resolution adopted under section 26 of this chapter; plus

(2) to the extent it is not included in subdivision (1), the net

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assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Sec. 8. As used in this chapter, "board" refers to the board of directors of the development authority.

Sec. 9. As used in this chapter, "county" refers to Vanderburgh County.

Sec. 10. As used in this chapter, "development authority" refers to the Vanderburgh County regional air commerce development authority created by this chapter.

Sec. 11. As used in this chapter, "distribution, transportation, and logistical distribution project" includes any capital improvement having as its primary purpose the movement of:

- (1) goods;
- (2) people; or
- (3) any commodity.

Sec. 12. As used in this chapter, "economic development project" means a project that:

- (1) the development authority determines will:
  - (A) promote significant opportunities for the gainful employment of residents of southwest Indiana;
  - (B) attract a major new business enterprise to southwest Indiana; or
  - (C) retain or expand a significant business enterprise within southwest Indiana; and
- (2) involves an expenditure for:
  - (A) the acquisition of land;
  - (B) interests in land;
  - (C) site improvements;
  - (D) infrastructure improvements;
  - (E) buildings;
  - (F) structures;
  - (G) rehabilitation, renovation, and enlargement of buildings and structures;
  - (H) machinery;
  - (I) equipment;
  - (J) furnishings; or
  - (K) facilities;

or any combination of these.

Sec. 13. As used in this chapter, "eligible political subdivision" means the following:

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(1) The airport authority.

(2) The county.

(3) A political subdivision located in the county.

Sec. 14. As used in this chapter, "income tax base period amount" means the total amount of the county option income tax paid by employees employed in the territory comprising an air commerce park with respect to wages and salary earned for work in the air commerce park for the state fiscal year that precedes the date on which the air commerce park was designated under section 25 of this chapter.

Sec. 15. (a) As used in this chapter, and subject to subsection (b), "income tax incremental amount" means the remainder of:

(1) the total amount of county option income taxes paid by employees employed in the territory comprising the air commerce park with respect to wages and salary earned for work in the territory comprising the air commerce park for a particular state fiscal year; minus

(2) the income tax base period amount;

as determined by the department of state revenue.

(b) The amount determined under subsection (a)(1) does not include any revenue that is attributable to:

(1) an increase in the county option income tax rate; or

(2) the replacement of the county option income tax with another local option tax that may be used for the same purposes as the county option income tax and has a higher maximum permissible rate;

that is authorized by a statute enacted after January 1, 2006.

Sec. 16. As used in this chapter, "infrastructure project" includes:

(1) a sanitary sewer system or wastewater treatment facility;

(2) a park or recreational facility;

(3) a street, road, or bridge;

(4) a drainage or flood control facility;

(5) a storm water management improvements;

(6) a water treatment, water storage, or water distribution facility;

(7) a facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination;

(8) a rail line, electric, gas, telephone or other communications, or any other type of utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or

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improvement;

(9) telecommunications facilities and improvements; and

(10) any security measures necessary to protect facilities or improvements described in this section.

Sec. 17. As used in this chapter, "project" includes the following:

(1) An infrastructure project.

(2) An airport authority project.

(3) A distribution, transportation, or logistical distribution project.

(4) An economic development project.

Sec. 18. The Vanderburgh County regional air commerce development authority is created as a political subdivision of the state to establish an air commerce park in order to develop, acquire, construct, reconstruct, renovate, improve, and finance projects located in, serving, or benefiting the air commerce park.

Sec. 19. (a) The development authority is governed by a board directors composed of the following members, each of whom must be a resident of Indiana:

(1) The members of the airport authority.

(2) The executive of the most populous municipality in the county.

(3) The president of the executive of the county.

(4) A resident of the county, appointed by the governor.

(b) The term of a member described under subsection (a)(1) through (a)(3) is coextensive with the member's term of office as:

(1) a member of the airport authority;

(2) the executive of the most populous municipality in the county; or

(3) the president of the executive of the county.

(c) A member appointed under subsection (a)(4) is entitled to serve a one (1) year term. A member may be reappointed to subsequent terms.

(d) A vacancy that occurs on the board under:

(1) subsections (a)(1) through (a)(3) shall be filled by the person filling the office of:

(A) a member of the airport authority;

(B) the executive of the most populous municipality in the county; or

(C) the president of the executive of the county; or

(2) subsection (a)(4) shall be filled by a person appointed by the governor for the remainder of the vacated term.

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1       **Sec. 20. (a) The members of the board shall elect from among**  
 2 **their number a chairman, a vice chairman, and other officers they**  
 3 **consider necessary.**

4       **(b) The members of the board are entitled to reimbursement for**  
 5 **traveling expenses and other expenses actually incurred in**  
 6 **connection with their duties as provided by law. Members are not**  
 7 **entitled to a per diem or any other compensation while performing**  
 8 **their duties.**

9       **Sec. 21. (a) The board shall meet at least quarterly.**

10       **(b) The chairman of the board or any two (2) members of the**  
 11 **board may call a special meeting of the board.**

12       **(c) Five (5) members of the board constitute a quorum.**

13       **(d) The affirmative votes of at least five (5) members of the**  
 14 **board are necessary to authorize any action of the development**  
 15 **authority.**

16       **Sec. 22. The board may adopt the bylaws and rules that the**  
 17 **board considers necessary for the proper conduct of the board's**  
 18 **duties and the safeguarding of the development authority's funds**  
 19 **and property.**

20       **Sec. 23. The development authority shall do the following:**

21       **(1) Designate a geographic area as an air commerce park and**  
 22 **approve a plan for the development of the park under section**  
 23 **25 of this chapter.**

24       **(2) Promote the development of the air commerce park in the**  
 25 **manner that best serves the interests of the units located in**  
 26 **southwest Indiana and their inhabitants.**

27       **(3) Cooperate with the airport authority and departments and**  
 28 **agencies of eligible political subdivisions and of other**  
 29 **governmental entities, including the state and the federal**  
 30 **government, in the manner that best serves the purposes of**  
 31 **this chapter.**

32       **(4) Make findings and reports on its activities under this**  
 33 **chapter and keep the reports available for inspection by the**  
 34 **public.**

35       **(5) Select and acquire air commerce property to be developed**  
 36 **by private enterprise, the state, or an eligible political**  
 37 **subdivision under this chapter.**

38       **(6) Sell or transfer acquired air commerce property and other**  
 39 **real and personal property to private enterprise or state or**  
 40 **local government in the manner that best serves the social and**  
 41 **economic interests of the eligible political subdivisions and**  
 42 **their inhabitants.**

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1       **Sec. 24. (a) The development authority may do any of the**  
 2       **following:**

3       **(1) Own, use, lease, rent, purchase, acquire, and dispose of by**  
 4       **purchase, exchange, gift, bequest, grant, condemnation, lease,**  
 5       **or sublease, on the terms and conditions determined by the**  
 6       **development authority, any real or personal property located**  
 7       **in the air commerce park.**

8       **(2) After giving notice, enter upon any lots or lands for the**  
 9       **purpose of surveying or examining them to determine the**  
 10       **location of a project.**

11       **(3) Make or enter into all contracts and agreements necessary**  
 12       **or incidental to the performance of its duties and the**  
 13       **execution of its powers under this chapter.**

14       **(4) Sue, be sued, plead, and be impleaded.**

15       **(5) Design, order, contract for, and construct, reconstruct,**  
 16       **and renovate a project or improvements to a project.**

17       **(6) Appoint an executive director and employ and fix the**  
 18       **compensation of appraisers, real estate experts, engineers,**  
 19       **architects, surveyors, attorneys, accountants, auditors, clerks,**  
 20       **construction managers, and any consultants or employees that**  
 21       **are necessary or desired by the development authority in**  
 22       **exercising its powers or carrying out its duties under this**  
 23       **chapter.**

24       **(7) Accept loans, grants, and other forms of financial**  
 25       **assistance from the federal government, the state government,**  
 26       **a political subdivision, or any other public or private source.**

27       **(8) Provide financial assistance, in the manner that best serves**  
 28       **the purposes of this chapter, including grants and loans, to**  
 29       **enable private enterprise to develop, redevelop, and**  
 30       **rehabilitate property in the air commerce park or otherwise**  
 31       **enable private enterprise to provide social and economic**  
 32       **benefits to the citizens of the county.**

33       **(9) Finance, improve, construct, reconstruct, renovate, and**  
 34       **acquire:**

35       **(A) airport authority projects;**

36       **(B) infrastructure projects;**

37       **(C) economic development projects; and**

38       **(D) transportation, logistics, and distribution projects;**

39       **located in, serving, or benefiting the air commerce park.**

40       **(b) If the development authority is unable to agree with the**  
 41       **owners, lessees, or occupants of any real property that is located in**  
 42       **the air commerce park and is selected for the purposes of this**

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chapter, the development authority may proceed under IC 32-24-1 to procure the condemnation of the property. The development authority may not institute a proceeding until it has adopted a resolution that:

- (1) describes the real property sought to be acquired and the public purpose for which the real property is to be used;
- (2) declares that the public interest and necessity require the acquisition by the development authority of the property involved; and
- (3) sets out any other facts that the development authority considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.

Sec. 25. (a) Subject to subsection (c), the development authority may:

- (1) designate as an air commerce park the area consisting of approximately two thousand four hundred (2,400) acres northeast of the airport, including an area five (5) miles wide on the north side of Highway 57 to the county line near Interstate Highway 64; and
- (2) approve a plan for the development of the air commerce park.

(b) In conjunction with the development plan, the development authority may adopt a resolution declaring that a geographic area is an air commerce park and approving the plan if it makes the following findings:

- (1) The plan for air commerce park will accomplish the public purposes of this chapter, supported by specific findings of fact to be adopted by the development authority.
- (2) The public health and welfare will be benefited by accomplishment of the plan for the air commerce park.
- (3) The plan for the air commerce park conforms to other development and redevelopment plans for the units in which the air commerce park is located.

(c) The air commerce park may include territory within the corporate boundaries of the county. However, an air commerce park may not include any area of land that constitutes part of an existing:

- (1) economic development area, a redevelopment project area, or an urban renewal area under IC 36-7-14;
- (2) community revitalization enhancement district under IC 36-7-13; or

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(3) certified technology park under IC 36-7-32;  
 unless the development authority first obtains the consent of the political subdivision that established the area, district, or park. An allocation provision established for an existing area, district, or park described in subdivision (1) through (3) takes precedence over an allocation provision established under section 26 of this chapter.

(d) The resolution must state the general boundaries of the air commerce park and identify the interests in the land within the boundaries of the air commerce park, if any, that the development authority proposes to acquire or lease.

(e) For the purpose of adopting a resolution under subsection (b), it is sufficient to describe the boundaries of the area by its location in relation to public ways or streams, or otherwise, as determined by the development authority. Property excepted from the designation may be described by street numbers or location.

Sec. 26. (a) The development authority may adopt a resolution designating an air commerce park as an allocation area and establish an allocation fund for purposes of the allocation and distribution of property taxes.

(b) After adoption of the resolution under subsection (a), the development authority shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit that has authority to levy property taxes in the geographic area where the air commerce park is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the air commerce park, including the following:

(i) The estimated economic benefits and costs incurred by the air commerce park, as measured by increased employment and anticipated growth of real property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the air commerce park and must state that written remonstrances may be filed with the development authority until the time designated for the hearing. The notice must also name the place, date, and time when the development authority will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed allocation area and will

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determine the public utility and benefit of the proposed allocation area. The development authority shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. All persons affected in any manner by the hearing shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the development authority affecting the allocation area if the development authority gives the notice required by this section.

(c) At the hearing, which may be recessed and reconvened periodically, the development authority shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the development authority shall take final action determining the public utility and benefit of the proposed allocation area confirming, modifying and confirming, or rescinding the resolution. The final action taken by the development authority shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 27 of this chapter.

Sec. 27. (a) A person who files a written remonstrance with the development authority under section 26 of this chapter and who is aggrieved by the final action taken may, within ten (10) days after that final action, file with the office of the clerk of the circuit or superior court of the county a copy of the development authority's resolution and the person's remonstrance against the resolution, together with the person's bond as provided by IC 34-13-5-7.

(b) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of filing of the appeal. The court shall decide the appeal based on the record and evidence before the development authority, not by trial de novo, and may confirm the final action of the development authority or sustain the remonstrances. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

Sec. 28. (a) After designating an air commerce park under section 25 of this chapter, the development authority shall send to the department of state revenue:

- (1) a certified copy of the designation of the air commerce park under section 25 of this chapter; and

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(2) a complete list of the employers in the air commerce park and the street names and the range of street numbers of each street in the air commerce park.

The development authority shall update the list provided under subdivision (2) before July 1 of each year.

(b) Not later than sixty (60) days after receiving a copy of the designation of the air commerce park, the department of state revenue shall determine the income tax base period amount.

Sec. 29. (a) An allocation provision adopted under section 26 of this chapter must:

(1) apply to the entire air commerce park; and

(2) require that any property tax on taxable property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the air commerce park be allocated and distributed as provided in subsections (b) and (c).

(b) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(1) the assessed value of the taxable property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(c) Except as provided in subsection (d), all the property tax proceeds that exceed those described in subsection (b) shall be allocated to the development authority for the air commerce park and, when collected, paid into the air commerce park allocation fund established under section 34 of this chapter.

(d) Before July 15 of each year, the development authority shall do the following:

(1) Determine the amount, if any, by which the property tax proceeds to be deposited in the air commerce park fund will exceed the amount necessary for the purposes described in section 34 of this chapter.

(2) Notify the respective county auditors of the amount, if any, of excess tax proceeds that the development authority has determined may be allocated to the respective taxing units in the manner prescribed in subsection (b). The development authority may not authorize an allocation of property tax proceeds under this subdivision if to do so would endanger the interests of the holders of bonds described in section 34 of this

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chapter.

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in, or added to, the air commerce park effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the air commerce park, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the taxable property as valued without regard to this section; or

(2) the base assessed value.

Sec. 30. (a) A development authority may, by resolution, provide that each taxpayer in the air commerce park that has also been designated as an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the air commerce park:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) the part of the respective county's total eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the air commerce park allocation fund under section 34 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the air commerce park allocation fund under section 34 of this chapter.

(b) The additional credit under subsection (a) shall be:

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- 1 (1) computed on an aggregate basis of all taxpayers in a taxing  
 2 district that contains all or part of an air commerce park; and  
 3 (2) combined on the tax statement sent to each taxpayer.

4 (c) Concurrently with the mailing or other delivery of the tax  
 5 statement or any corrected tax statement to each taxpayer, as  
 6 required by IC 6-1.1-22-8(a), each county treasurer shall for each  
 7 tax statement also deliver to each taxpayer in an air commerce  
 8 park who is entitled to the additional credit under subsection (a) a  
 9 notice of additional credit. The actual dollar amount of the credit,  
 10 the taxpayer's name and address, and the tax statement to which  
 11 the credit applies must be stated on the notice.

12 (d) Notwithstanding any other law, a taxpayer in an air  
 13 commerce park is not entitled to a credit for property tax  
 14 replacement under IC 6-1.1-21-5.

15 Sec. 31. (a) The state board of accounts and department of local  
 16 government finance shall make the rules and prescribe the forms  
 17 and procedures that the state board of accounts and department of  
 18 local government finance consider appropriate for the  
 19 implementation of an allocation area under this chapter.

20 (b) After each general reassessment under IC 6-1.1-4, the  
 21 department of local government finance shall adjust the base  
 22 assessed value one (1) time to neutralize any effect of the general  
 23 reassessment on the property tax proceeds allocated to the air  
 24 commerce park under section 26 of this chapter.

25 Sec. 32. Before the first business day in October of each year,  
 26 the department of state revenue shall calculate the income tax  
 27 incremental amount for the preceding state fiscal year for an air  
 28 commerce park designated under this chapter.

29 Sec. 33. (a) The treasurer of state shall establish an incremental  
 30 tax financing fund for an air commerce park designated under this  
 31 chapter. The fund shall be administered by the treasurer of state.  
 32 Money in the fund does not revert to the state general fund at the  
 33 end of a state fiscal year.

34 (b) Subject to subsection (c), the amount that shall be deposited  
 35 during each state fiscal year in the incremental tax financing fund  
 36 established for an air commerce park under subsection (a) is the  
 37 total amount of the county option income tax paid by employees  
 38 employed in the air commerce park with respect to wages earned  
 39 for work in the air commerce park, until the amount deposited  
 40 equals the income tax incremental amount.

41 (c) On or before the twentieth day of each month, all amounts  
 42 held in the incremental tax financing fund established for an air

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commerce park shall be distributed to the development authority for deposit in the air commerce park allocation fund established under section 26 of this chapter.

Sec. 34. (a) At the same time the development authority establishes an air commerce park under this chapter it shall establish an air commerce park allocation fund to receive:

(1) property tax proceeds allocated under section 26 of this chapter; and

(2) money distributed to the development authority under section 33 of this chapter.

(b) Money deposited in the air commerce park fund may be used by the redevelopment commission only for one (1) or more of the following purposes:

(1) Acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of projects.

(2) Payment of the principal of and interest on any obligations that are payable solely or in part from money deposited in the fund and that are incurred by the development authority for the purpose of financing or refinancing projects in, serving, or benefiting the air commerce park.

(3) Establishment, augmentation, or restoration of the debt service reserve for obligations described in subdivision (2).

(4) Payment of premiums on the redemption before maturity of bonds described in subdivision (2).

(5) Payment of the principal of and interest on bonds issued by an eligible political subdivision to pay for projects in, serving, or benefiting the air commerce park.

(6) Reimbursement to a unit for expenditures made for public facilities in, serving, or benefiting the air commerce park.

(7) Payment of expenses incurred by the development authority for projects that are in, serving, or benefiting the air commerce park.

(c) The air commerce park fund may not be used for operating expenses of the development authority.

Sec. 35. (a) The development authority may issue bonds for the purpose of providing projects under this chapter.

(b) The bonds are payable solely from:

(1) property tax proceeds allocated to the air commerce park allocation fund under section 26 of this chapter;

(2) money distributed to the development authority under

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section 33 of this chapter;

(3) other funds available to the development authority; or

(4) a combination of the methods in subdivisions (1) through (3).

(c) The bonds must be authorized by a resolution of the board.

(d) The terms and form of the bonds must be set out either in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within thirty (30) years.

(f) The development authority shall sell the bonds at public or private sale upon the terms determined by the development authority.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing projects in, serving, or benefiting an air commerce park, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the projects and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the projects suitable for use and operation;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of the bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the development authority, but not to exceed three (3) years;

(8) financial advisory fees;

(9) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(10) in the case of a refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

Sec. 36. (a) The development authority may secure bonds issued under this chapter by a trust indenture between the development authority and a corporate trustee, which may be a trust company or national or state bank within Indiana that has trust powers.

(b) The trust indenture may:

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(1) pledge or assign revenue received by the development authority, amounts deposited in the air commerce park allocation fund, and lease rentals, receipts, and income from leased projects, but may not mortgage land or projects;

(2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the development authority and the board;

(3) set forth the rights and remedies of bondholders and trustees; and

(4) restrict the individual right of action of bondholders.

(c) A pledge or assignment made by the development authority under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien or not. A trust indenture by which a pledge is created or an assignment made need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

Sec. 37. This chapter contains full and complete authority for the issuance of bonds. No law, procedure, proceeding, publication, notice, consent, approval, order, or act by the board or any other officer, department, agency, or instrumentality of the state or of any political subdivision is required to issue any bonds, except as prescribed in this chapter.

SECTION 2. An emergency is declared for this act.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 382, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 5.

Page 6, delete lines 1 through 7.

Page 8, line 29, delete "following taxes" and insert "**county option income tax**".

Page 8, line 34, delete ":" and insert ".".

Page 8, delete lines 35 through 37.

Page 8, line 38, after "Sec. 15." insert "**(a)**".

Page 8, line 38, after "chapter," insert "**and subject to subsection (b),**".

Page 8, line 40, delete "county adjusted gross income tax,".

Page 8, line 41, delete ", and county economic".

Page 8, line 42, delete "development income taxes".

Page 9, between lines 6 and 7, begin a new paragraph and insert:

**"(b) The amount determined under subsection (a)(1) does not include any revenue that is attributable to:**

**(1) an increase in the county option income tax rate; or**

**(2) the replacement of the county option income tax with another local option tax that may be used for the same purposes as the county option income tax and has a higher maximum permissible rate;**

**that is authorized by a statute enacted after January 1, 2006."**

Page 18, line 16, delete "following taxes" and insert "**county option income tax**".

Page 18, line 19, delete ":" and insert ".".

Page 18, delete lines 20 through 22.

Page 19, line 33, delete "fifty (50)" and insert "**thirty (30)**".

Page 20, line 13, delete "five (5)" and insert "**three (3)**".

Page 21, delete lines 7 through 9.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 382 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 2.

SB 382—LS 7034/DI 44+



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